GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1592
ANSWERED ON:19.07.2004
POTENTIAL FOR INCREASING THE AVENUES OF EMPLOYMENT
Solanki Shri Bhupendrasinh Prabhatsinh

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the food processing industries have the potential for increasing the avenues of employment;

(b) if so, whether the Government has taken any steps in this regard; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) & (b): Yes, Sir.

(c): Financial assistance is provided for establishment, modernization and expansion of food processing units @ 25% and 33.33% of costs of plant and machinery and technical civil works subject to a maximum of Rs. 50 lakhs and Rs. 75 lakhs in general and difficult areas respectively. In order to give boost to growth of food processing industries, the Government has announced on 8th July, 2004 in Parliament to allow under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Present excise duty of 16% on dairy machinery has been fully waived. Excise duty on meat, poultry and fish products has been reduced from 16% to 8%. Excise duty on food grade hexane used in edible oil has been reduced from 32% to 16%.